

Message Text

LIMITED OFFICIAL USE

PAGE 01 WARSAW 00400 161354Z
ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 TRSE-00
CIAE-00 INR-07 NSAE-00 /032 W
-----021970 161356Z /46
P 161249Z JAN 78
FM AMEMBASSY WARSAW
TO SECSTATE WASHDC PRIORITY 2723

LIMITED OFFICIAL USE WARSAW 0400

EXIM FOR VICE PRESIDENT ALBRIGHT PRIORITY

E.O. 11652: N/A
TAGS: EFIN BEXP PL
SUBJ: EXIM FINANCING FOR EXPORTS OF EQUIPMENT FOR HUTA KATOWICE

1. EMBASSY OFFICERS HAVE BEEN IN CLOSE TOUCH WITH OFFICERS OF GENERAL ELECTRIC, PULLMAN, AND BANK HANDLOWY CONCERNING EXIM'S TELEX OF JANUARY 5, 1978, GIVING THE TERMS OF EXIM'S PRELIMINARY COMMITMENT FOR SUBJECT EXPORTS. TREUMANN OF BANK HANDLOWY HAS TOLD GE REPRESENTATIVES FLATLY THAT THE EXIM OFFER IS NOT COMPETITIVE" WITH THAT MADE BY THE JAPANESE. GE'S LETTER OF INTENT WITH METRONEX HAS, CONSEQUENTLY, EXPIRED WITHOUT CONTRACT SIGNATURE.

2. LOSCOT OF GE HAS TOLD US THAT IMPROVEMENT IN EXIM TERMS, EITHER IN LENGTH OF THE LOAN OR IN INTEREST RATE, WILL BE REQUIRED IF GE IS TO WIN THE CONTRACT. LOSCOT SAID GE IS NOW PROCEEDING ON THE ASSUMPTION THAT EXIM WILL BE ABLE TO IMPROVE ITS TERMS AND THAT THE CONTRACT WILL BE WON. HE SAID, HOWEVER, THAT GE CANNOT CONTINUE MUCH LONGER TO TIE UP PRODUCTIVE RESOURCES WHICH WOULD BE REQUIRED TO FULFILL THE PROJECT. (COMMENT: IN OTHER WORDS, GE WILL SOON HAVE TO DECIDE WHETHER TO CUT EMPLOYMENT WHICH IT HAS PROLONGED ON THE POSSIBILITY OF WINNING THE CONTRACT. END COMMENT). LOSCOT ALSO SAID THAT TREUMANN HAS REFUSED TO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WARSAW 00400 161354Z

ADVISE EXIM DIRECTLY OF THE UNCOMPETITIVENESS OF ITS OFFER.

3. THE LOCAL PULLMAN MANAGER IS NOT NOW IN WARSAW, AND WE HAVE NOT YET BEEN ABLE TO GET A REACTION ON THE EFFECT OF THE EXIM TERMS ON PULLMAN'S COMPETITIVE POSITION.

4. COMMENT: TREUMANN DID NOT BUDGE FROM THE ABOVE-DESCRIBED

POSITION DURING A LENGTHY MEETING WITH THE ECONOMIC/COMMERCIAL COUNSELOR ON JANUARY 11. HE LEFT THE IMPRESSION THAT IT WAS UP TO GE AND PULLMAN TO CONVINCE EXIM TO IMPROVE ITS OFFER. TREUMANN ALSO REFUSED TO SEND EXIM A TELEX DIRECTLY, DESPITE OUR URGING.

5. WOLOSZYN AT EXIM AND THE DIRECTOR OF THE FINANCIAL DEPARTMENT OF THE MINISTRY OF FOREIGN TRADE HAVE BOTH BEEN OUT OF WARSAW. WE HOPE TO BE ABLE TO SPEAK WITH THEM THIS WEEK TO MAKE SURE THAT THE OFFERS OF OUR FIRMS ARE EVALUATED ON AN OVERALL BASIS AND NOT REJECTED SOLELY DUE TO THEIR HIGHER INTEREST RATE. WE HAVE TRIED TO REACH DEPUTY PLANNING COMMISSION CHAIRMAN OLESIK AND HOPE TO SPEAK WITH HIM TODAY.

6. A WELL-INFORMED SOURCE AT THE MINISTRY OF MACHINE INDUSTRY HAS ASSURED US THAT GE'S TECHNICAL ADVANTAGE IS WELL-UNDERSTOOD BY ALL CONCERNED POLISH AGENCIES, AND THAT THE POLES ARE CONSCIOUS OF THE POSSIBLE IMPACT OF THIS PROJECT ON THEIR HOPES OF MOVING TOWARD BROADER COOPERATION PROGRAMS WITH GE IN THE FUTURE. HE MADE CLEAR THAT GE HAD BEEN VERY INSISTENT IN ITS EFFORTS TO CONVINCE THE POLES THAT, IF THIS CONTRACT IS LOST, GE MANAGEMENT WILL TURN A DEAF EAR TOWARD POLAND. HE SAID THAT POLISH COMPANIES IN THIS TIME OF IMPORT STRINGENCY CANNOT PAY MORE NOW FOR POSSIBLE BENEFITS IN THE FUTURE. HIS MESSAGE WAS CLEAR -- WITHOUT IMPROVEMENT IN THE TERMS OF FINANCING, GE MAY WELL COME OUT ON THE SHORT END IN THE HUTA KATOWICE COMPETITION. END COMMENT.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 WARSAW 00400 161354Z

DAVIES

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978WARSAW00400
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780022-1132
Format: TEL
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780158/aaaabwpix.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 278563e3-c288-dd11-92da-001cc4696bcc
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3765966
Secure: OPEN
Status: NATIVE
Subject: EXIM FINANCING FOR EXPORTS OF EQUIPMENT FOR HUTA KATOWICE
TAGS: EFIN, BEXP, PL
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/278563e3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014